



Executive Committee

Filed: 3/31/2009

09600SB0364ham001

LRB096 06397 AMC 24876 a

1 AMENDMENT TO SENATE BILL 364

2 AMENDMENT NO. _____. Amend Senate Bill 364 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Governmental Ethics Act is amended
5 by changing Sections 4A-101, 4A-102, 4A-106, and 4A-107 as
6 follows:

7 (5 ILCS 420/4A-101) (from Ch. 127, par. 604A-101)

8 Sec. 4A-101. Persons required to file. The following
9 persons shall file verified written statements of economic
10 interests, as provided in this Article:

11 (a) Members of the General Assembly and candidates for
12 nomination or election to the General Assembly.

13 (b) Persons holding an elected office in the Executive
14 Branch of this State, and candidates for nomination or
15 election to these offices.

16 (c) Members of a Commission or Board created by the

1 Illinois Constitution, and candidates for nomination or
2 election to such Commission or Board.

3 (d) Persons whose appointment to office is subject to
4 confirmation by the Senate.

5 (e) Holders of, and candidates for nomination or
6 election to, the office of judge or associate judge of the
7 Circuit Court and the office of judge of the Appellate or
8 Supreme Court.

9 (f) Persons who are employed by any branch, agency,
10 authority or board of the government of this State,
11 including but not limited to, the Illinois State Toll
12 Highway Authority, the Illinois Housing Development
13 Authority, the Illinois Community College Board, and
14 institutions under the jurisdiction of the Board of
15 Trustees of the University of Illinois, Board of Trustees
16 of Southern Illinois University, Board of Trustees of
17 Chicago State University, Board of Trustees of Eastern
18 Illinois University, Board of Trustees of Governor's State
19 University, Board of Trustees of Illinois State
20 University, Board of Trustees of Northeastern Illinois
21 University, Board of Trustees of Northern Illinois
22 University, Board of Trustees of Western Illinois
23 University, or Board of Trustees of the Illinois
24 Mathematics and Science Academy, and are compensated for
25 services as employees and not as independent contractors
26 and who:

1 (1) are, or function as, the head of a department,
2 commission, board, division, bureau, authority or
3 other administrative unit within the government of
4 this State, or who exercise similar authority within
5 the government of this State;

6 (2) have direct supervisory authority over, or
7 direct responsibility for the formulation,
8 negotiation, issuance or execution of contracts
9 entered into by the State in the amount of \$5,000 or
10 more;

11 (3) have authority for the issuance or
12 promulgation of rules and regulations within areas
13 under the authority of the State;

14 (4) have authority for the approval of
15 professional licenses;

16 (5) have responsibility with respect to the
17 financial inspection of regulated nongovernmental
18 entities;

19 (6) adjudicate, arbitrate, or decide any judicial
20 or administrative proceeding, or review the
21 adjudication, arbitration or decision of any judicial
22 or administrative proceeding within the authority of
23 the State;

24 (7) have supervisory responsibility for 20 or more
25 employees of the State; or

26 (8) negotiate, assign, authorize, or grant naming

1 rights or sponsorship rights regarding any property or
2 asset of the State, whether real, personal, tangible,
3 or intangible.

4 (g) Persons who are elected to office in a unit of
5 local government, and candidates for nomination or
6 election to that office, including regional
7 superintendents of school districts.

8 (h) Persons appointed to the governing board of a unit
9 of local government, or of a special district, and persons
10 appointed to a zoning board, or zoning board of appeals, or
11 to a regional, county, or municipal plan commission, or to
12 a board of review of any county, and persons appointed to
13 the Board of the Metropolitan Pier and Exposition Authority
14 and any Trustee appointed under Section 22 of the
15 Metropolitan Pier and Exposition Authority Act, and
16 persons appointed to a board or commission of a unit of
17 local government who have authority to authorize the
18 expenditure of public funds. This subsection does not apply
19 to members of boards or commissions who function in an
20 advisory capacity.

21 (i) Persons who are employed by a unit of local
22 government and are compensated for services as employees
23 and not as independent contractors and who:

24 (1) are, or function as, the head of a department,
25 division, bureau, authority or other administrative
26 unit within the unit of local government, or who

1 exercise similar authority within the unit of local
2 government;

3 (2) have direct supervisory authority over, or
4 direct responsibility for the formulation,
5 negotiation, issuance or execution of contracts
6 entered into by the unit of local government in the
7 amount of \$1,000 or greater;

8 (3) have authority to approve licenses and permits
9 by the unit of local government; this item does not
10 include employees who function in a ministerial
11 capacity;

12 (4) adjudicate, arbitrate, or decide any judicial
13 or administrative proceeding, or review the
14 adjudication, arbitration or decision of any judicial
15 or administrative proceeding within the authority of
16 the unit of local government;

17 (5) have authority to issue or promulgate rules and
18 regulations within areas under the authority of the
19 unit of local government; or

20 (6) have supervisory responsibility for 20 or more
21 employees of the unit of local government.

22 (j) Persons on the Board of Trustees of the Illinois
23 Mathematics and Science Academy.

24 (k) Persons employed by a school district in positions
25 that require that person to hold an administrative or a
26 chief school business official endorsement.

1 (l) Special government agents. A "special government
2 agent" is a person who is directed, retained, designated,
3 appointed, or employed, with or without compensation, by or
4 on behalf of a statewide executive branch constitutional
5 officer to make an ex parte communication under Section
6 5-50 of the State Officials and Employees Ethics Act or
7 Section 5-165 of the Illinois Administrative Procedure
8 Act.

9 (m) Members of the board of commissioners of any flood
10 prevention district.

11 (n) Members of the board of any retirement system or
12 investment board established under the Illinois Pension
13 Code, if not required to file under any other provision of
14 this Section.

15 (o) Members of the board of any pension fund
16 established under the Illinois Pension Code, if not
17 required to file under any other provision of this Section.

18 This Section shall not be construed to prevent any unit of
19 local government from enacting financial disclosure
20 requirements that mandate more information than required by
21 this Act.

22 (Source: P.A. 95-719, eff. 5-21-08.)

23 (5 ILCS 420/4A-102) (from Ch. 127, par. 604A-102)
24 Sec. 4A-102. The statement of economic interests required
25 by this Article shall include the economic interests of the

1 person making the statement as provided in this Section. The
2 interest (if constructively controlled by the person making the
3 statement) of a spouse or any other party, shall be considered
4 to be the same as the interest of the person making the
5 statement. Campaign receipts shall not be included in this
6 statement.

7 (a) The following interests shall be listed by all
8 persons required to file:

9 (1) The name, address and type of practice of any
10 professional organization or individual professional
11 practice in which the person making the statement was
12 an officer, director, associate, partner or
13 proprietor, or served in any advisory capacity, from
14 which income in excess of \$1200 was derived during the
15 preceding calendar year;

16 (2) The nature of professional services (other
17 than services rendered to the unit or units of
18 government in relation to which the person is required
19 to file) and the nature of the entity to which they
20 were rendered if fees exceeding \$5,000 were received
21 during the preceding calendar year from the entity for
22 professional services rendered by the person making
23 the statement.

24 (3) The identity (including the address or legal
25 description of real estate) of any capital asset from
26 which a capital gain of \$5,000 or more was realized in

1 the preceding calendar year.

2 (4) The name of any unit of government which has
3 employed the person making the statement during the
4 preceding calendar year other than the unit or units of
5 government in relation to which the person is required
6 to file.

7 (5) The name of any entity from which a gift or
8 gifts, or honorarium or honoraria, valued singly or in
9 the aggregate in excess of \$500, was received during
10 the preceding calendar year.

11 (b) The following interests shall also be listed by
12 persons listed in items (a) through (f), ~~and~~ item (l), and
13 item (n) of Section 4A-101:

14 (1) The name and instrument of ownership in any
15 entity doing business in the State of Illinois, in
16 which an ownership interest held by the person at the
17 date of filing is in excess of \$5,000 fair market value
18 or from which dividends of in excess of \$1,200 were
19 derived during the preceding calendar year. (In the
20 case of real estate, location thereof shall be listed
21 by street address, or if none, then by legal
22 description). No time or demand deposit in a financial
23 institution, nor any debt instrument need be listed;

24 (2) Except for professional service entities, the
25 name of any entity and any position held therein from
26 which income of in excess of \$1,200 was derived during

1 the preceding calendar year, if the entity does
2 business in the State of Illinois. No time or demand
3 deposit in a financial institution, nor any debt
4 instrument need be listed.

5 (3) The identity of any compensated lobbyist with
6 whom the person making the statement maintains a close
7 economic association, including the name of the
8 lobbyist and specifying the legislative matter or
9 matters which are the object of the lobbying activity,
10 and describing the general type of economic activity of
11 the client or principal on whose behalf that person is
12 lobbying.

13 (c) The following interests shall also be listed by
14 persons listed in items (g), (h), ~~and~~ (i), and (o) of
15 Section 4A-101:

16 (1) The name and instrument of ownership in any
17 entity doing business with a unit of local government
18 in relation to which the person is required to file if
19 the ownership interest of the person filing is greater
20 than \$5,000 fair market value as of the date of filing
21 or if dividends in excess of \$1,200 were received from
22 the entity during the preceding calendar year. (In the
23 case of real estate, location thereof shall be listed
24 by street address, or if none, then by legal
25 description). No time or demand deposit in a financial
26 institution, nor any debt instrument need be listed.

1 (2) Except for professional service entities, the
2 name of any entity and any position held therein from
3 which income in excess of \$1,200 was derived during the
4 preceding calendar year if the entity does business
5 with a unit of local government in relation to which
6 the person is required to file. No time or demand
7 deposit in a financial institution, nor any debt
8 instrument need be listed.

9 (3) The name of any entity and the nature of the
10 governmental action requested by any entity which has
11 applied to a unit of local government in relation to
12 which the person must file for any license, franchise
13 or permit for annexation, zoning or rezoning of real
14 estate during the preceding calendar year if the
15 ownership interest of the person filing is in excess of
16 \$5,000 fair market value at the time of filing or if
17 income or dividends in excess of \$1,200 were received
18 by the person filing from the entity during the
19 preceding calendar year.

20 For the purposes of this Section, the unit of local
21 government in relation to which a person required to file under
22 item (o) of Section 4A-101 shall be the unit of local
23 government that contributes to the pension fund of which such
24 person is a member of the board.

25 (Source: P.A. 92-101, eff. 1-1-02; 93-617, eff. 12-9-03.)

1 (5 ILCS 420/4A-106) (from Ch. 127, par. 604A-106)

2 Sec. 4A-106. The statements of economic interests required
3 of persons listed in items (a) through (f), item (j), ~~and~~ item
4 (l), and item (n) of Section 4A-101 shall be filed with the
5 Secretary of State. The statements of economic interests
6 required of persons listed in items (g), (h), (i), ~~and~~ (k), and
7 (o) of Section 4A-101 shall be filed with the county clerk of
8 the county in which the principal office of the unit of local
9 government with which the person is associated is located. If
10 it is not apparent which county the principal office of a unit
11 of local government is located, the chief administrative
12 officer, or his or her designee, has the authority, for
13 purposes of this Act, to determine the county in which the
14 principal office is located. On or before February 1 annually,
15 (1) the chief administrative officer of any State agency in the
16 executive, legislative, or judicial branch employing persons
17 required to file under item (f) or item (l) of Section 4A-101
18 and the chief administrative officer of a board described in
19 item (n) of Section 4A-101 shall certify to the Secretary of
20 State the names and mailing addresses of those persons, and (2)
21 the chief administrative officer, or his or her designee, of
22 each unit of local government with persons described in items
23 (h), (i) and (k) and a board described in item (o) of Section
24 4A-101 shall certify to the appropriate county clerk a list of
25 names and addresses of persons described in items (h), (i), ~~and~~
26 (k), and (o) of Section 4A-101 that are required to file. In

1 preparing the lists, each chief administrative officer, or his
2 or her designee, shall set out the names in alphabetical order.

3 On or before April 1 annually, the Secretary of State shall
4 notify (1) all persons whose names have been certified to him
5 under items (f), ~~and~~ (l), and (n) of Section 4A-101, and (2)
6 all persons described in items (a) through (e) and item (j) of
7 Section 4A-101, other than candidates for office who have filed
8 their statements with their nominating petitions, of the
9 requirements for filing statements of economic interests. A
10 person required to file with the Secretary of State by virtue
11 of more than one item among items (a) through (f) and items
12 (j), ~~and~~ (l), and (n) shall be notified of and is required to
13 file only one statement of economic interests relating to all
14 items under which the person is required to file with the
15 Secretary of State.

16 On or before April 1 annually, the county clerk of each
17 county shall notify all persons whose names have been certified
18 to him under items (g), (h), (i), ~~and~~ (k), and (o) of Section
19 4A-101, other than candidates for office who have filed their
20 statements with their nominating petitions, of the
21 requirements for filing statements of economic interests. A
22 person required to file with a county clerk by virtue of more
23 than one item among items (g), (h), (i), ~~and~~ (k), and (o) shall
24 be notified of and is required to file only one statement of
25 economic interests relating to all items under which the person
26 is required to file with that county clerk.

1 Except as provided in Section 4A-106.1, the notices
2 provided for in this Section shall be in writing and deposited
3 in the U.S. Mail, properly addressed, first class postage
4 prepaid, on or before the day required by this Section for the
5 sending of the notice. A certificate executed by the Secretary
6 of State or county clerk attesting that he has mailed the
7 notice constitutes prima facie evidence thereof.

8 From the lists certified to him under this Section of
9 persons described in items (g), (h), (i), ~~and (k)~~, and (o) of
10 Section 4A-101, the clerk of each county shall compile an
11 alphabetical listing of persons required to file statements of
12 economic interests in his office under any of those items. As
13 the statements are filed in his office, the county clerk shall
14 cause the fact of that filing to be indicated on the
15 alphabetical listing of persons who are required to file
16 statements. Within 30 days after the due dates, the county
17 clerk shall mail to the State Board of Elections a true copy of
18 that listing showing those who have filed statements.

19 The county clerk of each county shall note upon the
20 alphabetical listing the names of all persons required to file
21 a statement of economic interests who failed to file a
22 statement on or before May 1. It shall be the duty of the
23 several county clerks to give notice as provided in Section
24 4A-105 to any person who has failed to file his or her
25 statement with the clerk on or before May 1.

26 Any person who files or has filed a statement of economic

1 interest under this Act is entitled to receive from the
2 Secretary of State or county clerk, as the case may be, a
3 receipt indicating that the person has filed such a statement,
4 the date of such filing, and the identity of the governmental
5 unit or units in relation to which the filing is required.

6 The Secretary of State may employ such employees and
7 consultants as he considers necessary to carry out his duties
8 hereunder, and may prescribe their duties, fix their
9 compensation, and provide for reimbursement of their expenses.

10 All statements of economic interests filed under this
11 Section shall be available for examination and copying by the
12 public at all reasonable times. Not later than 12 months after
13 the effective date of this amendatory Act of the 93rd General
14 Assembly, beginning with statements filed in calendar year
15 2004, the Secretary of State shall make statements of economic
16 interests filed with the Secretary available for inspection and
17 copying via the Secretary's website.

18 (Source: P.A. 93-617, eff. 12-9-03; 94-603, eff. 8-16-05.)

19 (5 ILCS 420/4A-107) (from Ch. 127, par. 604A-107)

20 Sec. 4A-107. Any person required to file a statement of
21 economic interests under this Article who willfully files a
22 false or incomplete statement shall be guilty of a Class A
23 misdemeanor.

24 Failure to file a statement within the time prescribed
25 shall result in ineligibility for, or forfeiture of, office or

1 position of employment, as the case may be; provided, however,
2 that if the notice of failure to file a statement of economic
3 interests provided in Section 4A-105 of this Act is not given
4 by the Secretary of State or the county clerk, as the case may
5 be, no forfeiture shall result if a statement is filed within
6 30 days of actual notice of the failure to file. The Secretary
7 of State shall provide the Attorney General with the names of
8 persons who failed to file a statement. The county clerk shall
9 provide the State's Attorney of the county of the entity for
10 which the filing of statement of economic interest is required
11 with the name of persons who failed to file a statement.

12 The Attorney General, with respect to offices or positions
13 described in items (a) through (f) and items (j), ~~and~~ (l), and
14 (n) of Section 4A-101 of this Act, or the State's Attorney of
15 the county of the entity for which the filing of statements of
16 economic interests is required, with respect to offices or
17 positions described in items (g) through (i), ~~and~~ item (k), and
18 item (o) of Section 4A-101 of this Act, shall bring an action
19 in quo warranto against any person who has failed to file by
20 either May 31 or June 30 of any given year.

21 (Source: P.A. 93-617, eff. 12-9-03.)

22 Section 10. The State Officials and Employees Ethics Act is
23 amended by changing Section 1-5 as follows:

24 (5 ILCS 430/1-5)

1 Sec. 1-5. Definitions. As used in this Act:

2 "Appointee" means a person appointed to a position in or
3 with a State agency, regardless of whether the position is
4 compensated.

5 "Campaign for elective office" means any activity in
6 furtherance of an effort to influence the selection,
7 nomination, election, or appointment of any individual to any
8 federal, State, or local public office or office in a political
9 organization, or the selection, nomination, or election of
10 Presidential or Vice-Presidential electors, but does not
11 include activities (i) relating to the support or opposition of
12 any executive, legislative, or administrative action (as those
13 terms are defined in Section 2 of the Lobbyist Registration
14 Act), (ii) relating to collective bargaining, or (iii) that are
15 otherwise in furtherance of the person's official State duties.

16 "Candidate" means a person who has filed nominating papers
17 or petitions for nomination or election to an elected State
18 office, or who has been appointed to fill a vacancy in
19 nomination, and who remains eligible for placement on the
20 ballot at either a general primary election or general
21 election.

22 "Collective bargaining" has the same meaning as that term
23 is defined in Section 3 of the Illinois Public Labor Relations
24 Act.

25 "Commission" means an ethics commission created by this
26 Act.

1 "Compensated time" means any time worked by or credited to
2 a State employee that counts toward any minimum work time
3 requirement imposed as a condition of employment with a State
4 agency, but does not include any designated State holidays or
5 any period when the employee is on a leave of absence.

6 "Compensatory time off" means authorized time off earned by
7 or awarded to a State employee to compensate in whole or in
8 part for time worked in excess of the minimum work time
9 required of that employee as a condition of employment with a
10 State agency.

11 "Contribution" has the same meaning as that term is defined
12 in Section 9-1.4 of the Election Code.

13 "Employee" means (i) any person employed full-time,
14 part-time, or pursuant to a contract and whose employment
15 duties are subject to the direction and control of an employer
16 with regard to the material details of how the work is to be
17 performed or (ii) any appointed or elected commissioner,
18 trustee, director, or board member of a board of a State
19 agency, including any retirement system or investment board
20 subject to the Illinois Pension Code or (iii) any other
21 appointee.

22 "Executive branch constitutional officer" means the
23 Governor, Lieutenant Governor, Attorney General, Secretary of
24 State, Comptroller, and Treasurer.

25 "Gift" means any gratuity, discount, entertainment,
26 hospitality, loan, forbearance, or other tangible or

1 intangible item having monetary value including, but not
2 limited to, cash, food and drink, and honoraria for speaking
3 engagements related to or attributable to government
4 employment or the official position of an employee, member, or
5 officer.

6 "Governmental entity" means a unit of local government
7 (including a community college district) or a school district
8 but not a State agency.

9 "Leave of absence" means any period during which a State
10 employee does not receive (i) compensation for State
11 employment, (ii) service credit towards State pension
12 benefits, and (iii) health insurance benefits paid for by the
13 State.

14 "Legislative branch constitutional officer" means a member
15 of the General Assembly and the Auditor General.

16 "Legislative leader" means the President and Minority
17 Leader of the Senate and the Speaker and Minority Leader of the
18 House of Representatives.

19 "Member" means a member of the General Assembly.

20 "Officer" means an executive branch constitutional officer
21 or a legislative branch constitutional officer.

22 "Political" means any activity in support of or in
23 connection with any campaign for elective office or any
24 political organization, but does not include activities (i)
25 relating to the support or opposition of any executive,
26 legislative, or administrative action (as those terms are

1 defined in Section 2 of the Lobbyist Registration Act), (ii)
2 relating to collective bargaining, or (iii) that are otherwise
3 in furtherance of the person's official State duties or
4 governmental and public service functions.

5 "Political organization" means a party, committee,
6 association, fund, or other organization (whether or not
7 incorporated) that is required to file a statement of
8 organization with the State Board of Elections or a county
9 clerk under Section 9-3 of the Election Code, but only with
10 regard to those activities that require filing with the State
11 Board of Elections or a county clerk.

12 "Prohibited political activity" means:

13 (1) Preparing for, organizing, or participating in any
14 political meeting, political rally, political
15 demonstration, or other political event.

16 (2) Soliciting contributions, including but not
17 limited to the purchase of, selling, distributing, or
18 receiving payment for tickets for any political
19 fundraiser, political meeting, or other political event.

20 (3) Soliciting, planning the solicitation of, or
21 preparing any document or report regarding any thing of
22 value intended as a campaign contribution.

23 (4) Planning, conducting, or participating in a public
24 opinion poll in connection with a campaign for elective
25 office or on behalf of a political organization for
26 political purposes or for or against any referendum

1 question.

2 (5) Surveying or gathering information from potential
3 or actual voters in an election to determine probable vote
4 outcome in connection with a campaign for elective office
5 or on behalf of a political organization for political
6 purposes or for or against any referendum question.

7 (6) Assisting at the polls on election day on behalf of
8 any political organization or candidate for elective
9 office or for or against any referendum question.

10 (7) Soliciting votes on behalf of a candidate for
11 elective office or a political organization or for or
12 against any referendum question or helping in an effort to
13 get voters to the polls.

14 (8) Initiating for circulation, preparing,
15 circulating, reviewing, or filing any petition on behalf of
16 a candidate for elective office or for or against any
17 referendum question.

18 (9) Making contributions on behalf of any candidate for
19 elective office in that capacity or in connection with a
20 campaign for elective office.

21 (10) Preparing or reviewing responses to candidate
22 questionnaires in connection with a campaign for elective
23 office or on behalf of a political organization for
24 political purposes.

25 (11) Distributing, preparing for distribution, or
26 mailing campaign literature, campaign signs, or other

1 campaign material on behalf of any candidate for elective
2 office or for or against any referendum question.

3 (12) Campaigning for any elective office or for or
4 against any referendum question.

5 (13) Managing or working on a campaign for elective
6 office or for or against any referendum question.

7 (14) Serving as a delegate, alternate, or proxy to a
8 political party convention.

9 (15) Participating in any recount or challenge to the
10 outcome of any election, except to the extent that under
11 subsection (d) of Section 6 of Article IV of the Illinois
12 Constitution each house of the General Assembly shall judge
13 the elections, returns, and qualifications of its members.

14 "Prohibited source" means any person or entity who:

15 (1) is seeking official action (i) by the member or
16 officer or (ii) in the case of an employee, by the employee
17 or by the member, officer, State agency, or other employee
18 directing the employee;

19 (2) does business or seeks to do business (i) with the
20 member or officer or (ii) in the case of an employee, with
21 the employee or with the member, officer, State agency, or
22 other employee directing the employee;

23 (3) conducts activities regulated (i) by the member or
24 officer or (ii) in the case of an employee, by the employee
25 or by the member, officer, State agency, or other employee
26 directing the employee;

1 (4) has interests that may be substantially affected by
2 the performance or non-performance of the official duties
3 of the member, officer, or employee; or

4 (5) is registered or required to be registered with the
5 Secretary of State under the Lobbyist Registration Act,
6 except that an entity not otherwise a prohibited source
7 does not become a prohibited source merely because a
8 registered lobbyist is one of its members or serves on its
9 board of directors.

10 "State agency" includes all officers, boards, commissions
11 and agencies created by the Constitution, whether in the
12 executive or legislative branch; all officers, departments,
13 boards, commissions, agencies, institutions, authorities,
14 public institutions of higher learning as defined in Section 2
15 of the Higher Education Cooperation Act (except community
16 colleges), and bodies politic and corporate of the State; and
17 administrative units or corporate outgrowths of the State
18 government which are created by or pursuant to statute, other
19 than units of local government (including community college
20 districts) and their officers, school districts, and boards of
21 election commissioners; and all administrative units and
22 corporate outgrowths of the above and as may be created by
23 executive order of the Governor. "State agency" includes the
24 General Assembly, the Senate, the House of Representatives, the
25 President and Minority Leader of the Senate, the Speaker and
26 Minority Leader of the House of Representatives, the Senate

1 Operations Commission, and the legislative support services
2 agencies. "State agency" includes the Office of the Auditor
3 General. "State agency" does not include the judicial branch.

4 "State employee" means any employee of a State agency.

5 "Ultimate jurisdictional authority" means the following:

6 (1) For members, legislative partisan staff, and
7 legislative secretaries, the appropriate legislative
8 leader: President of the Senate, Minority Leader of the
9 Senate, Speaker of the House of Representatives, or
10 Minority Leader of the House of Representatives.

11 (2) For State employees who are professional staff or
12 employees of the Senate and not covered under item (1), the
13 Senate Operations Commission.

14 (3) For State employees who are professional staff or
15 employees of the House of Representatives and not covered
16 under item (1), the Speaker of the House of
17 Representatives.

18 (4) For State employees who are employees of the
19 legislative support services agencies, the Joint Committee
20 on Legislative Support Services.

21 (5) For State employees of the Auditor General, the
22 Auditor General.

23 (6) For State employees of public institutions of
24 higher learning as defined in Section 2 of the Higher
25 Education Cooperation Act (except community colleges), the
26 board of trustees of the appropriate public institution of

1 higher learning.

2 (7) For State employees of an executive branch
3 constitutional officer other than those described in
4 paragraph (6), the appropriate executive branch
5 constitutional officer.

6 (8) For State employees not under the jurisdiction of
7 paragraph (1), (2), (3), (4), (5), (6), or (7), the
8 Governor.

9 (Source: P.A. 95-880, eff. 8-19-08.)

10 Section 12. The State Treasurer Act is amended by adding
11 Section 16.10 as follows:

12 (15 ILCS 505/16.10 new)

13 Sec. 16.10. Working group; peer cost comparison. There is
14 created a working group within the Office of the State
15 Treasurer to develop uniform standards for peer cost
16 comparisons. The working group must consist of one
17 representative from each retirement system or investment board
18 created under Article 2, Articles 5 through 18, Article 22, and
19 Article 22A of the Illinois Pension Code, one person
20 representing the pension funds created under Article 3 of the
21 Illinois Pension Code collectively, one person representing
22 the pension funds created under Article 4 of the Illinois
23 Pension Code collectively, and one representative of the
24 financial industry. The purpose of the working group is to

1 develop standards and make recommendations to the General
2 Assembly. The Treasurer must submit a report, on behalf of the
3 working group, to the Governor and General Assembly by January
4 1, 2010.

5 Section 15. The Illinois Pension Code is amended by
6 changing Sections 1-101.2, 1-109.1, 1-110, 1-113.5, 1-125,
7 8-192, 14-134, 14-134.1, 15-159, 16-164, and 22A-109 and by
8 adding Sections 1-101.5, 1-113.14, 1-113.16, 1-113.18, 1-130,
9 1-135, 1-145, and 1-150 as follows:

10 (40 ILCS 5/1-101.2)

11 Sec. 1-101.2. Fiduciary. A person is a "fiduciary" with
12 respect to a pension fund or retirement system established
13 under this Code to the extent that the person:

14 (1) exercises any discretionary authority or
15 discretionary control respecting management of the pension
16 fund or retirement system, or exercises any authority or
17 control respecting management or disposition of its
18 assets;

19 (2) renders investment advice or renders advice on the
20 selection of fiduciaries for a fee or other compensation,
21 direct or indirect, with respect to any moneys or other
22 property of the pension fund or retirement system, or has
23 any authority or responsibility to do so; or

24 (3) has any discretionary authority or discretionary

1 responsibility in the administration of the pension fund or
2 retirement system.

3 (Source: P.A. 90-507, eff. 8-22-97.)

4 (40 ILCS 5/1-101.5 new)

5 Sec. 1-101.5. Consultant. "Consultant" means any person or
6 entity retained or employed by the board of a retirement
7 system, pension fund, or investment board to make
8 recommendations in developing an investment strategy, assist
9 with finding appropriate investment advisers, or monitor the
10 board's investments. "Consultant" does not include
11 non-investment related professionals or professionals offering
12 services that are not directly related to the investment of
13 assets, such as legal counsel, actuary, proxy-voting services,
14 services used to track compliance with legal standards, and
15 investment fund of funds where the board has no direct
16 contractual relationship with the investment advisers or
17 partnerships. "Investment adviser" has the meaning ascribed to
18 it in Section 1-101.4.

19

20 (40 ILCS 5/1-109.1) (from Ch. 108 1/2, par. 1-109.1)

21 Sec. 1-109.1. Allocation and Delegation of Fiduciary
22 Duties.

23 (1) Subject to the provisions of Section 22A-113 of this
24 Code and subsections (2) and (3) of this Section, the board of

1 trustees of a retirement system or pension fund established
2 under this Code may:

3 (a) Appoint one or more investment managers as
4 fiduciaries to manage (including the power to acquire and
5 dispose of) any assets of the retirement system or pension
6 fund; and

7 (b) Allocate duties among themselves and designate
8 others as fiduciaries to carry out specific fiduciary
9 activities other than the management of the assets of the
10 retirement system or pension fund.

11 (2) The board of trustees of a pension fund established
12 under Article 5, 6, 8, 9, 10, 11, 12 or 17 of this Code may not
13 transfer its investment authority, nor transfer the assets of
14 the fund to any other person or entity for the purpose of
15 consolidating or merging its assets and management with any
16 other pension fund or public investment authority, unless the
17 board resolution authorizing such transfer is submitted for
18 approval to the contributors and pensioners of the fund at
19 elections held not less than 30 days after the adoption of such
20 resolution by the board, and such resolution is approved by a
21 majority of the votes cast on the question in both the
22 contributors election and the pensioners election. The
23 election procedures and qualifications governing the election
24 of trustees shall govern the submission of resolutions for
25 approval under this paragraph, insofar as they may be made
26 applicable.

1 (3) Pursuant to subsections (h) and (i) of Section 6 of
2 Article VII of the Illinois Constitution, the investment
3 authority of boards of trustees of retirement systems and
4 pension funds established under this Code is declared to be a
5 subject of exclusive State jurisdiction, and the concurrent
6 exercise by a home rule unit of any power affecting such
7 investment authority is hereby specifically denied and
8 preempted.

9 (4) For the purposes of this Code, "emerging investment
10 manager" means a qualified investment adviser that manages an
11 investment portfolio of at least \$10,000,000 but less than
12 \$10,000,000,000 ~~\$2,000,000,000~~ and is a "minority owned
13 business", ~~or~~ "female owned business" or "business owned by a
14 person with a disability" as those terms are defined in the
15 Business Enterprise for Minorities, Females, and Persons with
16 Disabilities Act.

17 It is hereby declared to be the public policy of the State
18 of Illinois to encourage the trustees of public employee
19 retirement systems, pension funds, and investment boards to use
20 emerging investment managers in managing their ~~system's~~
21 assets, encompassing all asset classes, to the greatest extent
22 feasible within the bounds of financial and fiduciary prudence,
23 and to take affirmative steps to remove any barriers to the
24 full participation of emerging investment managers in
25 investment opportunities afforded by those retirement systems,
26 pension funds, and investment boards.

1 On or before January 1, 2010, a retirement system, pension
2 fund, or investment board subject to this Code, except those
3 whose investments are restricted by Section 1-113.2 of this
4 Code, shall adopt a policy for utilization of emerging
5 investment managers. This policy shall include quantifiable
6 goals for the management of assets in specific asset classes by
7 emerging investment managers. The retirement system, pension
8 fund, or investment board shall establish 3 separate goals for:
9 (i) emerging investment managers that are minority owned
10 businesses; (ii) emerging investment managers that are female
11 owned businesses; and (iii) emerging investment managers that
12 are businesses owned by a person with a disability. The goals
13 established shall be based on the percentage of total dollar
14 amount of investment service contracts let to minority owned
15 businesses, female owned businesses, and businesses owned by a
16 person with a disability, as those terms are defined in the
17 Business Enterprise for Minorities, Females, and Persons with
18 Disabilities Act. The retirement system, pension fund, or
19 investment board shall annually review the goals established
20 under this subsection.

21 ~~Each retirement system subject to this Code shall prepare a~~
22 ~~report to be submitted to the Governor and the General Assembly~~
23 ~~by September 1 of each year. The report shall identify the~~
24 ~~emerging investment managers used by the system, the percentage~~
25 ~~of the system's assets under the investment control of emerging~~
26 ~~investment managers, and the actions it has undertaken to~~

1 ~~increase the use of emerging investment managers, including~~
2 ~~encouraging other investment managers to use emerging~~
3 ~~investment managers as subcontractors when the opportunity~~
4 ~~arises.~~

5 The use of an emerging investment manager does not
6 constitute a transfer of investment authority for the purposes
7 of subsection (2) of this Section.

8 (5) Each retirement system, pension fund, or investment
9 board subject to this Code, except those whose investments are
10 restricted by Section 1-113.2 of this Code, shall establish a
11 policy with the goal of increasing the racial, ethnic, and
12 gender diversity of its fiduciaries, including its consultants
13 and senior staff. Each system, fund, and investment board shall
14 annually review the goals established under this subsection.

15 (6) On or before January 1, 2010, a retirement system,
16 pension fund, or investment board subject to this Code, except
17 those whose investments are restricted by Section 1-113.2 of
18 this Code, shall adopt a policy that sets forth goals for
19 utilization of businesses owned by minorities, females, and
20 persons with disabilities for all contracts and services. The
21 goals established shall be based on the percentage of total
22 dollar amount of all contracts let to minority owned
23 businesses, female owned businesses, and businesses owned by a
24 person with a disability, as those terms are defined in the
25 Business Enterprise for Minorities, Females, and Persons with
26 Disabilities Act. The retirement system, pension fund, or

1 investment board shall annually review the goals established
2 under this subsection. Each retirement system, pension fund,
3 and investment board shall post upon its web site a description
4 of the policy and goals, including a description of the
5 contracts awarded to businesses owned by minorities, females,
6 and persons with disabilities.

7 (7) On or before January 1, 2010, a retirement system,
8 pension fund, or investment board subject to this Code, except
9 those whose investments are restricted by Section 1-113.2 of
10 this Code, shall adopt a policy for increasing the utilization
11 of minority broker-dealers. For the purposes of this Code,
12 "minority broker-dealer" means a qualified broker-dealer who
13 meets the definition of "minority owned business", "female
14 owned business", or "business owned by a person with a
15 disability", as those terms are defined in the Business
16 Enterprise for Minorities, Females, and Persons with
17 Disabilities Act. The retirement system, pension fund, or
18 investment board shall annually review the goals established
19 under this Section.

20 (8) Each retirement system, pension fund, and investment
21 board subject to this Code, except those whose investments are
22 restricted by Section 1-113.2 of this Code, shall submit a
23 report to the Governor and the General Assembly by January 1 of
24 each year that includes the following: (i) the policy adopted
25 under subsection (4) of this Section, including the names and
26 addresses of the emerging investment managers used, percentage

1 of the assets under the investment control of emerging
2 investment managers for the 3 separate goals, and the actions
3 it has undertaken to increase the use of emerging investment
4 managers, including encouraging other investment managers to
5 use emerging investment managers as subcontractors when the
6 opportunity arises; (ii) the policy adopted under subsection
7 (5) of this Section; (iii) the policy adopted under subsection
8 (6) of this Section; and (iv) the policy adopted under
9 subsection (7) of this Section, including specific actions
10 undertaken to increase the use of minority broker-dealers.

11 (Source: P.A. 94-471, eff. 8-4-05.)

12 (40 ILCS 5/1-110) (from Ch. 108 1/2, par. 1-110)

13 Sec. 1-110. Prohibited Transactions.

14 (a) A fiduciary with respect to a retirement system, ~~or~~
15 pension fund, or investment board shall not cause the
16 retirement system or pension fund to engage in a transaction if
17 he or she knows or should know that such transaction
18 constitutes a direct or indirect:

19 (1) Sale or exchange, or leasing of any property from
20 the retirement system or pension fund to a party in
21 interest for less than adequate consideration, or from a
22 party in interest to a retirement system or pension fund
23 for more than adequate consideration.

24 (2) Lending of money or other extension of credit from
25 the retirement system or pension fund to a party in

1 interest without the receipt of adequate security and a
2 reasonable rate of interest, or from a party in interest to
3 a retirement system or pension fund with the provision of
4 excessive security or an unreasonably high rate of
5 interest.

6 (3) Furnishing of goods, services or facilities from
7 the retirement system or pension fund to a party in
8 interest for less than adequate consideration, or from a
9 party in interest to a retirement system or pension fund
10 for more than adequate consideration.

11 (4) Transfer to, or use by or for the benefit of, a
12 party in interest of any assets of a retirement system or
13 pension fund for less than adequate consideration.

14 (b) A fiduciary with respect to a retirement system or
15 pension fund established under this Code shall not:

16 (1) Deal with the assets of the retirement system or
17 pension fund in his own interest or for his own account;

18 (2) In his individual or any other capacity act in any
19 transaction involving the retirement system or pension
20 fund on behalf of a party whose interests are adverse to
21 the interests of the retirement system or pension fund or
22 the interests of its participants or beneficiaries; or

23 (3) Receive any consideration for his own personal
24 account from any party dealing with the retirement system
25 or pension fund in connection with a transaction involving
26 the assets of the retirement system or pension fund.

1 (c) Nothing in this Section shall be construed to prohibit
2 any trustee from:

3 (1) Receiving any benefit to which he may be entitled
4 as a participant or beneficiary in the retirement system or
5 pension fund.

6 (2) Receiving any reimbursement of expenses properly
7 and actually incurred in the performance of his duties with
8 the retirement system or pension fund.

9 (3) Serving as a trustee in addition to being an
10 officer, employee, agent or other representative of a party
11 in interest.

12 (d) A fiduciary of a pension fund established under Article
13 3 or 4 shall not knowingly cause or advise the pension fund to
14 engage in an investment transaction when the fiduciary (i) has
15 any direct interest in the income, gains, or profits of the
16 investment adviser ~~adviser~~ through which the investment
17 transaction is made or (ii) has a business relationship with
18 that investment adviser ~~adviser~~ that would result in a
19 pecuniary benefit to the fiduciary as a result of the
20 investment transaction.

21 Violation of this subsection (d) is a Class 4 felony.

22 (e) A board member, employee, or consultant with respect to
23 a retirement system, pension fund, or investment board subject
24 to this Code, except those whose investments are restricted by
25 Section 1-113.2, shall not knowingly cause or advise the
26 retirement system, pension fund, or investment board to engage

1 in an investment transaction with an investment adviser when
2 the board member, employee, consultant, or their spouse (i) has
3 any direct interest in the income, gains, or profits of the
4 investment adviser through which the investment transaction is
5 made or (ii) has a relationship with that investment adviser
6 that would result in a pecuniary benefit to the board member,
7 employee, or consultant or spouse of such board member,
8 employee, or consultant as a result of the investment
9 transaction. For purposes of this subsection (e), a consultant
10 includes an employee or agent of a consulting firm who has
11 greater than 7.5% ownership of the consulting firm.

12 Violation of this subsection (e) is a Class 4 felony.

13 (Source: P.A. 95-950, eff. 8-29-08.)

14 (40 ILCS 5/1-113.5)

15 Sec. 1-113.5. Investment advisers and investment services
16 for all Article 3 or 4 pension funds.

17 (a) The board of trustees of a pension fund may appoint
18 investment advisers as defined in Section 1-101.4. The board of
19 any pension fund investing in common or preferred stock under
20 Section 1-113.4 shall appoint an investment adviser before
21 making such investments.

22 The investment adviser shall be a fiduciary, as defined in
23 Section 1-101.2, with respect to the pension fund and shall be
24 one of the following:

25 (1) an investment adviser registered under the federal

1 Investment Advisers Act of 1940 and the Illinois Securities
2 Law of 1953;

3 (2) a bank or trust company authorized to conduct a
4 trust business in Illinois;

5 (3) a life insurance company authorized to transact
6 business in Illinois; or

7 (4) an investment company as defined and registered
8 under the federal Investment Company Act of 1940 and
9 registered under the Illinois Securities Law of 1953.

10 (a-5) Notwithstanding any other provision of law, a person
11 or entity that provides consulting services (referred to as a
12 "consultant" in this Section) to a pension fund with respect to
13 the selection of fiduciaries may not be awarded a contract to
14 provide those consulting services that is more than 5 years in
15 duration. No contract to provide such consulting services may
16 be renewed or extended. At the end of the term of a contract,
17 however, the contractor is eligible to compete for a new
18 contract. No person shall attempt to avoid or contravene the
19 restrictions of this subsection by any means. All offers from
20 responsive offerors shall be accompanied by disclosure of the
21 names and addresses of the following:

22 (1) The offeror.

23 (2) Any entity that is a parent of, or owns a
24 controlling interest in, the offeror.

25 (3) Any entity that is a subsidiary of, or in which a
26 controlling interest is owned by, the offeror.

1 Beginning on July 1, 2008, a person, other than a trustee
2 or an employee of a pension fund or retirement system, may not
3 act as a consultant under this Section unless that person is at
4 least one of the following: (i) registered as an investment
5 adviser under the federal Investment Advisers Act of 1940 (15
6 U.S.C. 80b-1, et seq.); (ii) registered as an investment
7 adviser under the Illinois Securities Law of 1953; (iii) a
8 bank, as defined in the Investment Advisers Act of 1940; or
9 (iv) an insurance company authorized to transact business in
10 this State.

11 (b) All investment advice and services provided by an
12 investment adviser or a consultant appointed under this Section
13 shall be rendered pursuant to a written contract between the
14 investment adviser and the board, and in accordance with the
15 board's investment policy.

16 The contract shall include all of the following:

17 (1) acknowledgement in writing by the investment
18 adviser that he or she is a fiduciary with respect to the
19 pension fund;

20 (2) the board's investment policy;

21 (3) full disclosure of direct and indirect fees,
22 commissions, penalties, and any other compensation that
23 may be received by the investment adviser, including
24 reimbursement for expenses; and

25 (4) a requirement that the investment adviser submit
26 periodic written reports, on at least a quarterly basis,

1 for the board's review at its regularly scheduled meetings.
2 All returns on investment shall be reported as net returns
3 after payment of all fees, commissions, and any other
4 compensation.

5 (b-5) Each contract described in subsection (b) shall also
6 include (i) full disclosure of direct and indirect fees,
7 commissions, penalties, and other compensation, including
8 reimbursement for expenses, that may be paid by or on behalf of
9 the investment adviser or consultant in connection with the
10 provision of services to the pension fund and (ii) a
11 requirement that the investment adviser or consultant update
12 the disclosure promptly after a modification of those payments
13 or an additional payment.

14 Within 30 days after the effective date of this amendatory
15 Act of the 95th General Assembly, each investment adviser and
16 consultant providing services on the effective date or subject
17 to an existing contract for the provision of services must
18 disclose to the board of trustees all direct and indirect fees,
19 commissions, penalties, and other compensation paid by or on
20 behalf of the investment adviser or consultant in connection
21 with the provision of those services and shall update that
22 disclosure promptly after a modification of those payments or
23 an additional payment.

24 A person required to make a disclosure under subsection (d)
25 is also required to disclose direct and indirect fees,
26 commissions, penalties, or other compensation that shall or may

1 be paid by or on behalf of the person in connection with the
2 rendering of those services. The person shall update the
3 disclosure promptly after a modification of those payments or
4 an additional payment.

5 The disclosures required by this subsection shall be in
6 writing and shall include the date and amount of each payment
7 and the name and address of each recipient of a payment.

8 (c) Within 30 days after appointing an investment adviser
9 or consultant, the board shall submit a copy of the contract to
10 the Division of Insurance of the Department of Financial and
11 Professional Regulation.

12 (d) Investment services provided by a person other than an
13 investment adviser appointed under this Section, including but
14 not limited to services provided by the kinds of persons listed
15 in items (1) through (4) of subsection (a), shall be rendered
16 only after full written disclosure of direct and indirect fees,
17 commissions, penalties, and any other compensation that shall
18 or may be received by the person rendering those services.

19 (e) The board of trustees of each pension fund shall retain
20 records of investment transactions in accordance with the rules
21 of the Department of Financial and Professional Regulation.

22 (Source: P.A. 95-950, eff. 8-29-08.)

23 (40 ILCS 5/1-113.14 new)

24 Sec. 1-113.14. Investment services for retirement systems,
25 pension funds, and investment boards, except those funds

1 established under Articles 3 and 4.

2 (a) For the purposes of this Section, "investment services"
3 means services provided by an investment adviser or a
4 consultant.

5 (b) The selection and appointment of an investment adviser
6 or consultant for investment services by the board of a
7 retirement system, pension fund, or investment board subject to
8 this Code, except those whose investments are restricted by
9 Section 1-113.2, shall be made and awarded in accordance with
10 this Section. All contracts for investment services shall be
11 awarded by the board using a competitive request for proposal
12 process. A request for proposals shall appear on the web site
13 of the retirement system, pension fund, or investment board and
14 shall be posted in the Illinois Procurement Bulletin. For all
15 investment services contracts with an annualized value of
16 \$25,000 or less, evaluation and ranking by price are required
17 and the contract shall be awarded to the lowest qualified
18 bidder. If the lowest qualified bidder is not selected for an
19 investment services contract with an annualized value that
20 exceeds the \$25,000 threshold, the board must provide notice of
21 who the lowest qualified bidder was and a written decision as
22 to why another was selected. This notice shall be posted on its
23 web site and in the Illinois Procurement Bulletin. Exceptions
24 to this Section are allowed for sole source procurements,
25 emergency procurements and, at the discretion of the pension
26 fund, retirement system, or board of investment, for contracts

1 that are nonrenewable, one year or less in duration, so long as
2 the contract has a value of less than \$20,000. All exceptions
3 granted under this Section must still be published on the
4 system's, fund's, or board's web site, shall name the person
5 authorizing the procurement, and shall include a brief
6 explanation of the reason for the exception.

7 A person, other than a trustee or an employee of a
8 retirement system, pension fund, or investment board, may not
9 act as a consultant or investment adviser under this Section
10 unless that person is registered as an investment adviser under
11 the federal Investment Advisers Act of 1940 (15 U.S.C. 80b-1,
12 et seq.).

13 (c) Investment services provided by an investment adviser
14 or a consultant appointed under this Section shall be rendered
15 pursuant to a written contract between the investment adviser
16 or consultant and the board. A description of every contract,
17 including the terms, must be posted on the retirement system's,
18 pension fund's, or investment board's web site.

19 The contract shall include all of the following:

20 (1) Acknowledgement in writing by the investment
21 adviser or consultant that he or she is a fiduciary with
22 respect to the pension fund or retirement system.

23 (2) The description of the board's investment policy
24 and notice that the policy is subject to change.

25 (3) (i) Full disclosure of direct and indirect fees,
26 commissions, penalties, and other compensation, including

1 reimbursement for expenses, that may be paid by or on
2 behalf of the consultant in connection with the provision
3 of services to the pension fund or retirement system and
4 (ii) a requirement that the consultant update the
5 disclosure promptly after a modification of those payments
6 or an additional payment.

7 (4) A requirement that the investment adviser or
8 consultant, in conjunction with the board's staff, submit
9 periodic written reports, on at least a quarterly basis,
10 for the board's review at its regularly scheduled meetings.
11 All returns on investment shall be reported as net returns
12 after payment of all fees, commissions, and any other
13 compensation.

14 (5) Disclosure of the names and addresses of (i) the
15 consultant or investment adviser; (ii) any entity that is a
16 parent of, or owns a controlling interest in, the
17 consultant or investment adviser; (iii) any entity that is
18 a subsidiary of, or in which a controlling interest is
19 owned by, the consultant or investment adviser; (iv) any
20 persons who have an ownership or distributive income share
21 in the consultant or investment adviser that is in excess
22 of 7.5%; or (v) serves as an executive officer of the
23 consultant or investment adviser.

24 (6) A disclosure of the names and addresses of all
25 subcontractors, if applicable, and the expected amount of
26 money each will receive under the contract, including an

1 acknowledgment that the contractor must promptly make
2 notification, in writing, if at any time during the term of
3 the contract a contractor adds or changes any
4 subcontractors.

5 (7) A description of service to be performed.

6 (8) A description of the need for the service.

7 (9) A description of the plan for post-performance
8 review.

9 (10) A description of the qualifications necessary.

10 (11) The duration of the contract.

11 (12) The method for charging and measuring cost.

12 (d) Notwithstanding any other provision of law, a
13 retirement system, pension fund, or investment board subject to
14 this Code, except those whose investments are restricted by
15 Section 1-113.2 of this Code, shall not enter into a contract
16 for investment services that exceeds 5 years in duration. No
17 contract to provide such investment services may be renewed or
18 extended. At the end of the term of a contract, however, the
19 contractor is eligible to compete for a new contract as
20 provided in this Section. No retirement system, pension fund,
21 or investment board shall attempt to avoid or contravene the
22 restrictions of this subsection (d) by any means.

23 (e) Within 60 days after the effective date of this
24 amendatory Act of the 96th General Assembly, each investment
25 adviser or consultant currently providing services or subject
26 to an existing contract for the provision of services must

1 disclose to the board of trustees all direct and indirect fees,
2 commissions, penalties, and other compensation paid by or on
3 behalf of the investment adviser or consultant in connection
4 with the provision of those services and shall update that
5 disclosure promptly after a modification of those payments or
6 an additional payment. The person shall update the disclosure
7 promptly after a modification of those payments or an
8 additional payment. The disclosures required by this
9 subsection (e) shall be in writing and shall include the date
10 and amount of each payment and the name and address of each
11 recipient of a payment.

12 (f) The retirement system, pension fund, or board of
13 investment shall develop uniform documents that shall be used
14 for the solicitation, review, and acceptance of all investment
15 services. The form shall include the terms contained in
16 subsection (c) of this Section. All such uniform documents
17 shall be posted in a conspicuous manner on the retirement
18 system, pension fund, or investment board's web site. After
19 evaluation, ranking, and selection, the pension fund,
20 retirement system, or board of investment shall publish the
21 names of the responsible procurement decision-maker, the
22 successful respondent, the fees paid, and the total assessment
23 amount applicable to the let contract on its web site.

1 Sec. 1-113.16. Investment transparency.

2 (a) The purpose of this Section is to provide for
3 transparency in the investment of retirement or pension funds
4 and require the reporting of full and complete information
5 regarding the investments by pension funds, retirement
6 systems, and investment boards.

7 (b) A retirement system, pension fund, or investment board
8 subject to this Code and any committees established by such
9 system, fund, or board must comply with the Open Meetings Act.

10 (c) Any retirement system, pension fund, or investment
11 board subject to this Code that establishes a committee shall
12 ensure that the majority of the members on such committee are
13 board members. If any member of a committee is not a member of
14 the board for the system, fund, or board, then that committee
15 member shall be a fiduciary.

16 (d) A retirement system, pension fund, or investment board
17 subject to this Code, except those whose investments are
18 restricted by Section 1-113.2, shall maintain an official web
19 site and make available in a clear and conspicuous manner, and
20 update at least quarterly, all of the following information
21 concerning the investment of public funds:

22 (1) The total amount of funds held by the pension fund,
23 retirement system, or investment board.

24 (2) The asset allocation for the investments made by
25 the pension fund, retirement system, or investment board.

26 (3) Current and historic return information.

1 (4) A detailed listing of the investment advisers for
2 all asset classes.

3 (5) Performance of investments compared against
4 established benchmarks.

5 (6) A detailed list of all consultants doing business
6 with the retirement system, pension fund, or investment
7 board.

8 (7) A detailed list of all contractors, other than
9 investment advisers and consultants, doing business with
10 the retirement system, pension fund, or investment board.

11 (8) Any requests for proposals for investment
12 services.

13 (9) The names and email addresses of all board members,
14 directors, and senior staff.

15 (10) The report required under Section 1-109.1 of this
16 Code, if applicable.

17 (11) Any other information the board determines that
18 will increase transparency.

19 (e) A pension fund whose investments are restricted by
20 Section 1-113.2 of this Code shall make the information
21 required in subsection (d) of this Section available on its web
22 site or in a location that allows the information to be
23 available for inspection by the public.

24 (f) Nothing in this Section requires the pension fund,
25 retirement system, or investment board to make information
26 available on the Internet that is exempt from inspection and

1 copying under the Freedom of Information Act.

2 (40 ILCS 5/1-113.18 new)

3 Sec. 1-113.18. Ethics training. All board members of a
4 retirement system, pension fund, or investment board created
5 under this Code must attend ethics training of at least 8 hours
6 per year. The training required under this Section shall
7 include training on ethics, fiduciary duty, and investment
8 issues and any other curriculum that the board of the
9 retirement system, pension fund, or investment board
10 establishes as being important for the administration of the
11 retirement system, pension fund, or investment board. Each
12 board shall annual certify its members' compliance with this
13 Section and submit an annual certification to the Division of
14 Insurance of the Department of Financial and Professional
15 Regulation.

16 (40 ILCS 5/1-125)

17 Sec. 1-125. Prohibition on gifts.

18 (a) For the purposes of this Section:

19 "Gift" means a gift as defined in Section 1-5 of the State
20 Officials and Employees Ethics Act.

21 "Prohibited source" means a person or entity who:

22 (i) is seeking official action (A) by the board or (B)
23 by a board member;

24 (ii) does business or seeks to do business (A) with the

1 board or (B) with a board member;

2 (iii) has interests that may be substantially affected
3 by the performance or non-performance of the official
4 duties of the board member; or

5 (iv) is registered or required to be registered with
6 the Secretary of State under the Lobbyist Registration Act,
7 except that an entity not otherwise a prohibited source
8 does not become a prohibited source merely because a
9 registered lobbyist is one of its members or serves on its
10 board of directors.

11 (b) No trustee or employee of a retirement system, pension
12 fund, or investment board created under ~~board created under~~
13 ~~Article 3 or 4 of~~ this Code shall intentionally solicit or
14 accept any gift from any prohibited source as prescribed in
15 Article 10 of the State Officials and Employees Ethics Act.
16 ~~The, including the~~ exceptions contained in Section 10-15 of
17 that Act, other than paragraphs (4) and (5) of that Section
18 shall apply to trustees and employees of a retirement system,
19 pension fund, or investment board created under this Code.
20 Solicitation or acceptance of educational materials, however,
21 is not prohibited. For the purposes of this Section, references
22 to "State employee" and "employee" in Article 10 of the State
23 Officials and Employees Ethics Act shall include a trustee or
24 employee of a retirement system, pension fund, or investment
25 board created under ~~a board created under Article 3 or 4 of~~
26 this Code.

1 (c) A municipality may adopt or maintain policies or
2 ordinances that are more restrictive than those set forth in
3 this Section and may continue to follow any existing policies
4 or ordinances that are more restrictive or are in addition to
5 those set forth in this Section.

6 (d) To the extent that the provisions of this Section
7 conflict with the provisions of the State Officials and
8 Employees Ethics Act, the provisions of this Section control.

9 (e) ~~(d)~~ Violation of this Section is a Class A misdemeanor.
10 (Source: P.A. 95-950, eff. 8-29-08.)

11 (40 ILCS 5/1-130 new)

12 Sec. 1-130. No monetary gain on investments. No member or
13 employee of the board of trustees of any retirement system,
14 pension fund, or investment board created under this Code nor
15 any spouse of such member or employee shall knowingly have any
16 direct interest in the income, gains, or profits of any
17 investments made on behalf of a retirement system, pension
18 fund, or investment board created under this Code for which
19 such person is a member or employee, nor receive any pay or
20 emolument for services in connection with any investment. No
21 member or employee of the board of trustees of any retirement
22 system, pension fund, or investment board created under this
23 Code shall become an endorser or surety, or in any manner an
24 obligor for money loaned or borrowed from any retirement system
25 or pension fund created under this Code or the Illinois State

1 Board of Investment. For the purposes of this Section, an
2 annuity otherwise provided in accordance with this Code or any
3 income, gains, or profits related to any non-controlling
4 interest in any public securities, mutual fund, or other
5 passive investment is not considered monetary gain on
6 investments.

7 Violation of this Section is a Class 3 felony.

8 (40 ILCS 5/1-135 new)

9 Sec. 1-135. Fraud. Any person who knowingly makes any false
10 statement or falsifies or permits to be falsified any record of
11 a retirement system or pension fund created under this Code or
12 the Illinois State Board of Investment in an attempt to defraud
13 the retirement system or pension fund created under this Code
14 or the Illinois State Board of Investment is guilty of a Class
15 3 felony.

16 (40 ILCS 5/1-145 new)

17 Sec. 1-145. Contingent and placement fees prohibited. No
18 person or entity shall retain a person or entity to attempt to
19 influence the outcome of an investment decision of or the
20 procurement of investment advice or services of a retirement
21 system, pension fund, or investment board of this Code for
22 compensation, contingent in whole or in part upon the decision
23 or procurement. Any person who violates this Section is guilty
24 of a business offense and shall be fined not more than \$10,000.

1 In addition, any person convicted of a violation of this
2 Section is prohibited for a period of 3 years from conducting
3 such activities.

4 (40 ILCS 5/1-150 new)

5 Sec. 1-150. Approval of travel or educational mission. The
6 expenses for travel or educational missions of a board member
7 of a retirement system, pension fund, or investment board
8 created under this Code, except those whose investments are
9 restricted by Section 1-113.2 of this Code, must be approved by
10 a majority of the board prior to the travel or educational
11 mission.

12 (40 ILCS 5/8-192) (from Ch. 108 1/2, par. 8-192)

13 Sec. 8-192. Board created. A board of 5 members shall
14 constitute a Board of Trustees authorized to carry out the
15 provisions of this Article. The board shall be known as the
16 Retirement Board of the Municipal Employees', Officers', and
17 Officials' Annuity and Benefit Fund of the city, or for the
18 sake of brevity may also be known and referred to as the
19 Retirement Board of the Municipal Employees' Annuity and
20 Benefit Fund of such city. The board shall consist of the city
21 comptroller, the city treasurer, and 3 members who shall be
22 employees, except that, the employee member whose term first
23 expires after the effective date of this amendatory Act of the
24 96th General Assembly shall be replaced with a member who is a

1 an annuitant member.

2 The employee members shall,~~to~~ be elected as follows:

3 Within 30 days after the effective date, the mayor of the
4 city shall arrange for and hold an election.

5 One employee shall be elected for a term ending on the
6 first day in the month of December of the first year next
7 following the effective date; one for a term ending December
8 1st of the following year; and one for a term ending on
9 December 1st of the second following year.

10 The city comptroller, with the approval of the board, may
11 appoint a designee from among employees of the city who are
12 versed in the affairs of the comptroller's office to act in the
13 absence of the comptroller on all matters pertaining to
14 administering the provisions of this Article.

15 The members of a Retirement Board of a municipal
16 employees', officers', and officials' annuity and benefit fund
17 holding office in a city at the time this Article becomes
18 effective, including elective and ex-officio members, shall
19 continue in office until the expiration of their terms and
20 until their respective successors are elected or appointed and
21 have qualified.

22 An employee member who takes advantage of the early
23 retirement incentives provided under this amendatory Act of the
24 93rd General Assembly may continue as a member until the end of
25 his or her term.

26 (Source: P.A. 93-654, eff. 1-16-04.)

1 (40 ILCS 5/14-134) (from Ch. 108 1/2, par. 14-134)

2 Sec. 14-134. Board created. The retirement system created
3 by this Article shall be a trust, separate and distinct from
4 all other entities. The responsibility for the operation of the
5 system and for making effective this Article is vested in a
6 board of trustees.

7 The board shall consist of 7 trustees, as follows:

8 (a) the Director of the Governor's Office of Management and
9 Budget; (b) the Comptroller; (c) one trustee, not a State
10 employee, who shall be Chairman, to be appointed by the
11 Governor for a 5 year term; (d) two members of the system, one
12 of whom shall be an annuitant age 60 or over, having at least 8
13 years of creditable service, to be appointed by the Governor
14 for terms of 5 years; (e) one member of the system having at
15 least 8 years of creditable service, to be elected from the
16 contributing membership of the system by the contributing
17 members as provided in Section 14-134.1; (f) one annuitant of
18 the system who has been an annuitant for at least one full
19 year, to be elected from and by the annuitants of the system,
20 as provided in Section 14-134.1. The Director of the Governor's
21 Office of Management and Budget and the Comptroller shall be
22 ex-officio members and shall serve as trustees during their
23 respective terms of office, except that each of them may
24 designate another officer or employee from the same agency to
25 serve in his or her place. However, no ex-officio member may

1 designate a different proxy within one year after designating a
2 proxy unless the person last so designated has become
3 ineligible to serve in that capacity. Except for the elected
4 trustees, any vacancy in the office of trustee shall be filled
5 in the same manner as the office was filled previously.

6 A trustee shall serve until a successor qualifies, except
7 that a trustee who is a member of the system shall be
8 disqualified as a trustee immediately upon terminating service
9 with the State.

10 Notwithstanding any provision of this Section to the
11 contrary, the term of office of each trustee of the Board
12 appointed by the Governor who is sitting on the Board on the
13 effective date of this amendatory Act of the 96th General
14 Assembly and the Director of the Governor's Office of
15 Management and Budget is terminated on that effective date.

16 Beginning on the 30th day after the effective date of this
17 amendatory Act of the 96th General Assembly, the board shall
18 consist of 13 trustees as follows:

19 (1) the Comptroller, who shall be the Chairperson;

20 (2) six persons appointed by the Governor with the
21 advice and consent of the Senate who may not be members of
22 the system or hold an elective State office and who shall
23 serve for a term of 5 years, except that the terms of the
24 initial appointees under this amendatory Act of the 96th
25 General Assembly shall be as follows: 3 for a term of 3
26 years and 3 for a term of 5 years;

1 (3) four active participants of the system having at
2 least 8 years of creditable service, to be elected from the
3 contributing members of the system by the contribution
4 members as provided in Section 14-134.1; and

5 (4) two annuitants of the system who have been
6 annuitants for at least one full year, to be elected from
7 and by the annuitants of the system, as provided in Section
8 14-134.1.

9 The Governor shall make nominations for appointment under
10 this Section within 30 days after the effective date of this
11 amendatory Act of the 96th General Assembly. If the Governor
12 nominates a successor for appointment within 30 days after the
13 effective date of this amendatory Act of the 96th General
14 Assembly, then the trustee sitting on the board on the
15 effective date of this amendatory Act shall hold office until
16 the successor is confirmed by the Senate. If the Governor fails
17 to nominate a successor for any or all of the current trustees
18 on or before the 30th day after the effective date of this
19 amendatory Act of the 96th General Assembly, then the seats of
20 those trustees shall become vacant until the Governor has
21 appointed the successors with the advice and consent of the
22 Senate.

23 Each trustee is entitled to one vote on the board, and 4
24 trustees shall constitute a quorum for the transaction of
25 business. The affirmative votes of a majority of the trustees
26 present, but at least 3 trustees, shall be necessary for action

1 by the board at any meeting. On the 30th day after the
2 effective date of this amendatory Act of the 96th General
3 Assembly, 7 trustees shall constitute a quorum for the
4 transaction of business and the affirmative vote of a majority
5 of the trustees present, but at least 7 trustees, shall be
6 necessary for action by the board at any meeting. The board's
7 action of July 22, 1986, by which it amended the bylaws of the
8 system to increase the number of affirmative votes required for
9 board action from 3 to 4 (in response to Public Act 84-1028,
10 which increased the number of trustees from 5 to 7), and the
11 board's rejection, between that date and the effective date of
12 this amendatory Act of 1993, of proposed actions not receiving
13 at least 4 affirmative votes, are hereby validated.

14 The trustees shall serve without compensation, but shall be
15 reimbursed from the funds of the system for all necessary
16 expenses incurred through service on the board.

17 Each trustee shall take an oath of office that he or she
18 will diligently and honestly administer the affairs of the
19 system, and will not knowingly violate or willfully permit the
20 violation of any of the provisions of law applicable to the
21 system. The oath shall be subscribed to by the trustee making
22 it, certified by the officer before whom it is taken, and filed
23 with the Secretary of State. A trustee shall qualify for
24 membership on the board when the oath has been approved by the
25 board.

26 (Source: P.A. 94-793, eff. 5-19-06.)

1 (40 ILCS 5/14-134.1) (from Ch. 108 1/2, par. 14-134.1)

2 Sec. 14-134.1. Board-elected members-vacancies. The 2
3 elected trustees shall be elected, beginning in 1986 and every
4 5 years thereafter, for a term of 5 years beginning July 15
5 next following their election. The trustees to be elected under
6 Section 14-134 of this Code in accordance with this amendatory
7 Act of the 96th General Assembly shall be elected within 30
8 days after the effective date of this amendatory Act of the
9 96th General Assembly for a term of 5 years after the effective
10 date of this amendatory Act. Trustees shall be elected every 5
11 years thereafter for a term of 5 years beginning July 15 next
12 following their election. Elections shall be held on May 1, or
13 on May 2 when May 1 falls on Sunday. Candidates for the
14 contributing trustee shall be nominated by petitions in
15 writing, signed by not less than 400 contributors with their
16 addresses shown opposite their names. Candidates for the
17 annuitant trustee shall be nominated by petitions in writing,
18 signed by not less than 100 annuitants with their addresses
19 shown opposite their names.

20 If there is more than one qualified nominee for either
21 elected trustee, the board shall conduct a secret ballot
22 election by mail for that trustee, in accordance with rules as
23 established by the board.

24 If there is only one qualified person nominated by petition
25 for either trustee, the election as required by this Section

1 shall not be conducted for that trustee and the board shall
2 declare such nominee duly elected.

3 A vacancy occurring in the elective membership of the board
4 shall be filled for the unexpired term by the board.

5 (Source: P.A. 84-1028.)

6 (40 ILCS 5/15-159) (from Ch. 108 1/2, par. 15-159)

7 Sec. 15-159. Board created. A board of trustees constituted
8 as provided in this Section shall administer this System. The
9 board shall be known as the Board of Trustees of the State
10 Universities Retirement System.

11 (b) Until July 1, 1995, the Board of Trustees shall be
12 constituted as follows:

13 Two trustees shall be members of the Board of Trustees of
14 the University of Illinois, one shall be a member of the Board
15 of Trustees of Southern Illinois University, one shall be a
16 member of the Board of Trustees of Chicago State University,
17 one shall be a member of the Board of Trustees of Eastern
18 Illinois University, one shall be a member of the Board of
19 Trustees of Governors State University, one shall be a member
20 of the Board of Trustees of Illinois State University, one
21 shall be a member of the Board of Trustees of Northeastern
22 Illinois University, one shall be a member of the Board of
23 Trustees of Northern Illinois University, one shall be a member
24 of the Board of Trustees of Western Illinois University, and
25 one shall be a member of the Illinois Community College Board,

1 selected in each case by their respective boards, and 2 shall
2 be participants of the system appointed by the Governor for a 6
3 year term with the first appointment made pursuant to this
4 amendatory Act of 1984 to be effective September 1, 1985, and
5 one shall be a participant appointed by the Illinois Community
6 College Board for a 6 year term, and one shall be a participant
7 appointed by the Board of Trustees of the University of
8 Illinois for a 6 year term, and one shall be a participant or
9 annuitant of the system who is a senior citizen age 60 or older
10 appointed by the Governor for a 6 year term with the first
11 appointment to be effective September 1, 1985.

12 The terms of all trustees holding office under this
13 subsection (b) on June 30, 1995 shall terminate at the end of
14 that day and the Board shall thereafter be constituted as
15 provided in subsection (c).

16 (c) Beginning July 1, 1995, the Board of Trustees shall be
17 constituted as follows:

18 The Board shall consist of 9 trustees appointed by the
19 Governor. Two of the trustees, designated at the time of
20 appointment, shall be participants of the System. Two of the
21 trustees, designated at the time of appointment, shall be
22 annuitants of the System who are receiving retirement annuities
23 under this Article. The 5 remaining trustees may, but need not,
24 be participants or annuitants of the System.

25 The term of office of trustees appointed under this
26 subsection (c) shall be 6 years, beginning on July 1. However,

1 of the initial trustees appointed under this subsection (c), 3
2 shall be appointed for terms of 2 years, 3 shall be appointed
3 for terms of 4 years, and 3 shall be appointed for terms of 6
4 years, to be designated by the Governor at the time of
5 appointment.

6 The terms of all trustees holding office under this
7 subsection (c) on the effective date of this amendatory Act of
8 the 96th General Assembly shall terminate at the end of that
9 day and the Board shall thereafter be constituted as provided
10 in subsection (d). If the Governor makes a nomination for the
11 appointments under subsection (d) of this Section within 30
12 days after the effective date of this amendatory Act of the
13 96th General Assembly, then the members sitting on the board on
14 the effective date of this amendatory Act shall hold office
15 until their successors are appointed and qualified. If the
16 Governor fails to make a nomination for the appointments under
17 subsection (d) of this Section on or before the 30th day after
18 the effective date of this amendatory Act of the 96th General
19 Assembly, then those seats shall become vacant until the
20 Governor has appointed the successors with the advice and
21 consent of the Senate.

22 (d) Beginning on the 30th day after the effective date of
23 this amendatory Act of the 96th General Assembly, the Board of
24 Trustees shall be constituted as follows:

25 (1) The Chairperson of the Board of Higher Education,
26 who shall act as chairperson of this Board.

1 (2) Four trustees appointed by the Governor with the
2 advice and consent of the Senate who may not be members of
3 the system or hold an elective State office and who shall
4 serve for a term of 6 years, except that the terms of the
5 initial appointees under this subsection (d) shall be as
6 follows: 2 for a term of 3 years and 2 for a term of 6
7 years.

8 (3) Four active participants of the system to be
9 elected from the contributing membership of the system by
10 the contributing members, no more than 2 of which may be
11 from any of the University of Illinois campuses, who shall
12 serve for a term of 6 years, except that the terms of the
13 initial electees shall be as follows: 2 for a term of 3
14 years and 2 for a term of 6 years.

15 (4) Two annuitants of the system who have been
16 annuitants for at least one full year, to be elected from
17 and by the annuitants of the system, no more than one of
18 which may be from any of the University of Illinois
19 campuses, who shall serve for a term of 6 years, except
20 that the terms of the initial electees shall be as follows:
21 one for a term of 3 years and one for a term of 6 years.

22 (e) The 6 elected trustees shall be elected within 30 days
23 after the effective date of this amendatory Act of the 96th
24 General Assembly for a term beginning on the 30th day after the
25 effective date of this amendatory Act. Trustees shall be
26 elected thereafter as terms expire for a 6-year term beginning

1 July 15 next following their election, and such election shall
2 be held on May 1, or on May 2 when May 1 falls on a Sunday.
3 Candidates for the participating trustee shall be nominated by
4 petitions in writing, signed by not less than 400 participants
5 with their addresses shown opposite their names. Candidates for
6 the annuitant trustee shall be nominated by petitions in
7 writing, signed by not less than 100 annuitants with their
8 addresses shown opposite their names. If there is more than one
9 qualified nominee for each elected trustee, then the board
10 shall conduct a secret ballot election by mail for that
11 trustee, in accordance with rules as established by the board.
12 If there is only one qualified person nominated by petition for
13 each elected trustee, then the election as required by this
14 Section shall not be conducted for that trustee and the board
15 shall declare such nominee duly elected. A vacancy occurring in
16 the elective membership of the board shall be filled for the
17 unexpired term by the elected trustees serving on the board for
18 the remainder of the term.

19 (f) A vacancy on the board of trustees caused by
20 resignation, death, expiration of term of office, or other
21 reason shall be filled by a qualified person appointed by the
22 Governor for the remainder of the unexpired term.

23 (g) Trustees (other than the trustees incumbent on June 30,
24 1995 or as provided in subsection (c) of this Section) shall
25 continue in office until their respective successors are
26 appointed and have qualified, except that a trustee appointed

1 to one of the participant positions shall be disqualified
2 immediately upon the termination of his or her status as a
3 participant and a trustee appointed to one of the annuitant
4 positions shall be disqualified immediately upon the
5 termination of his or her status as an annuitant receiving a
6 retirement annuity.

7 (h) ~~(d)~~ Each trustee must take an oath of office before a
8 notary public of this State and shall qualify as a trustee upon
9 the presentation to the board of a certified copy of the oath.
10 The oath must state that the person will diligently and
11 honestly administer the affairs of the retirement system, and
12 will not knowingly violate or wilfully permit to be violated
13 any provisions of this Article.

14 Each trustee shall serve without compensation but shall be
15 reimbursed for expenses necessarily incurred in attending
16 board meetings and carrying out his or her duties as a trustee
17 or officer of the system.

18 (i) ~~(e)~~ This amendatory Act of 1995 is intended to
19 supersede the changes made to this Section by Public Act 89-4.

20 (Source: P.A. 89-4, eff. 1-1-96; 89-196, eff. 7-21-95.)

21 (40 ILCS 5/16-164) (from Ch. 108 1/2, par. 16-164)

22 Sec. 16-164. Board - appointed members - vacancies. Terms
23 of office for the appointed members shall begin on July 15 of
24 an even-numbered year. The Governor shall appoint 2 members as
25 trustees with the advice and consent of the Senate in each

1 even-numbered year who shall hold office for a term of 4 years.
2 Each such appointee shall reside in and be a taxpayer in the
3 territory covered by this system, shall be interested in public
4 school welfare, and experienced and competent in financial and
5 business management. A vacancy in the term of an appointed
6 trustee shall be filled for the unexpired term by appointment
7 of the Governor.

8 Notwithstanding any provision of this Section to the
9 contrary, the term of office of each member of the Board
10 appointed by the Governor who is sitting on the Board on the
11 effective date of this amendatory Act of the 96th General
12 Assembly is terminated on that effective date. If the Governor
13 makes a nomination for the appointments under this Section
14 within 30 days after the effective date of this amendatory Act
15 of the 96th General Assembly, then the members sitting on the
16 board on the effective date of this amendatory Act shall hold
17 office until their successors are appointed and qualified. If
18 the Governor fails to make a nomination for the appointments
19 under this Section on or before the 30th day after the
20 effective date of this amendatory Act of the 96th General
21 Assembly, then those seats shall become vacant until the
22 Governor has appointed the successors with the advice and
23 consent of the Senate.

24 (Source: P.A. 83-1440.)

1 Sec. 22A-109. Membership of board. The board shall consist
2 of the following members:

3 (1) Five trustees appointed by the Governor with the
4 advice and consent of the Senate who may not hold an
5 elective State office.

6 (2) The Treasurer.

7 (3) The Comptroller, who is the Chairperson of the
8 State Employees' Retirement System of Illinois.

9 (4) The Chairperson of the General Assembly Retirement
10 System.

11 (5) The Chairperson of the Judges Retirement System of
12 Illinois.

13 ~~(a) ex-officio members consisting of the State Treasurer and~~
14 ~~the Chairman of the board of trustees of each pension fund or~~
15 ~~retirement system, other than pension funds covered by Articles~~
16 ~~3 and 4 of this Code, whose investment functions have been~~
17 ~~transferred to the jurisdiction of this board; and (b) 5~~
18 ~~members appointed by the Governor with the approval of the~~
19 ~~Senate, one of whom shall be a senior citizen age 60 or over.~~

20 The appointive members shall serve for terms of 4 years except
21 that the terms of office of the original appointive members
22 pursuant to this amendatory Act of the 96th General Assembly
23 shall be as follows: One member for a term of 1 year; 1 member
24 for a term of 2 years; 1 member for a term of 3 years; and 2
25 members ~~1 member~~ for a term of 4 years. ~~The member first~~
26 ~~appointed under this amendatory Act of 1984 shall serve for a~~

1 ~~term of 4 years.~~ Vacancies among the appointive members shall
2 be filled for unexpired terms by appointment in like manner as
3 for original appointments, and appointive members shall
4 continue in office until their successors have been appointed
5 and have qualified. ~~Ex officio members who cannot attend~~
6 ~~meetings of the board or its committees may respectively~~
7 ~~designate one appropriate proxy from within the office of the~~
8 ~~State Treasurer or the trustees of the pension fund or~~
9 ~~retirement system, which proxy shall have the same powers and~~
10 ~~authority as the ex-officio member being represented, but no~~
11 ~~member may designate a different proxy within one year after~~
12 ~~his last designation of a proxy unless the person last so~~
13 ~~designated has become ineligible to serve in that capacity.~~

14 Notwithstanding any provision of this Section to the
15 contrary, the term of office of each member of the Board
16 appointed by the Governor who is sitting on the Board on the
17 effective date of this amendatory Act of the 96th General
18 Assembly is terminated on that effective date. If the Governor
19 makes a nomination for the appointments under this Section
20 within 30 days after the effective date of this amendatory Act
21 of the 96th General Assembly, then the members sitting on the
22 board on the effective date of this amendatory Act shall hold
23 office until their successors are appointed and qualified. If
24 the Governor fails to make a nomination for the appointments
25 under this Section on or before the 30th day after the
26 effective date of this amendatory Act of the 96th General

1 Assembly, then those seats shall become vacant until the
2 Governor has appointed the successors with the advice and
3 consent of the Senate.

4 Each person appointed to membership shall qualify by taking
5 an oath of office before the Secretary of State stating that he
6 will diligently and honestly administer the affairs of the
7 board and will not violate or knowingly permit the violation of
8 any provisions of this Article.

9 Members of the board shall receive no salary for service on
10 the board but shall be reimbursed for travel expenses incurred
11 while on business for the board according to the standards in
12 effect for members of the Illinois Legislative Research Unit.

13 A majority of the members of the board shall constitute a
14 quorum. The board shall elect from its membership, biennially,
15 a Chairman, Vice Chairman and a Recording Secretary. These
16 officers, together with one other member elected by the board,
17 shall constitute the executive committee. During the interim
18 between regular meetings of the board, the executive committee
19 shall have authority to conduct all business of the board and
20 shall report such business conducted at the next following
21 meeting of the board for ratification.

22 No member of the board shall have any interest in any
23 brokerage fee, commission or other profit or gain arising out
24 of any investment made by the board. This paragraph does not
25 preclude ownership by any member of any minority interest in
26 any common stock or any corporate obligation in which

1 investment is made by the board.

2 The board shall contract for a blanket fidelity bond in the
3 penal sum of not less than \$1,000,000.00 to cover members of
4 the board, the director and all other employees of the board
5 conditioned for the faithful performance of the duties of their
6 respective offices, the premium on which shall be paid by the
7 board. The bond shall be filed with the State Treasurer for
8 safekeeping.

9 (Source: P.A. 87-1265.)

10 Section 97. Severability. The provisions of this Act are
11 severable under Section 1.31 of the Statute on Statutes.

12 Section 99. Effective date. This Act takes effect upon
13 becoming law."